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REMARKS BY

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BEFORE

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THE CHAMBER OF COMMERCE

L2 PASADENA, TEXAS (Terrorism)

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LADIES AND GENTLEMEN, DURING THE PAST YEAR, AS DIRECTOR OF CENTRAL INTELLIGENCE, I HAVE HAD THE PRIVILEGE OF SPEAKING IN MANY PARTS OF THE COUNTRY, BEFORE MANY GROUPS SUCH AS THIS -- PEOPLE WHO ARE INTERESTED IN WHAT THEIR GOVERNMENT DOES, AND WHY AND HOW WELL IT DOES WHAT IT DOES.

ONE OF MY CONTINUING CONCERNS HAS BEEN THAT WITH THE PREVAILING SENSATIONALISM IN STORIES ABOUT THE CENTRAL INTELLIGENCE AGENCY MUCH OF THE ESSENTIAL WORK OF THAT AGENCY -- WORK THAT IS VITAL TO OUR NATIONAL DEFENSE AND OUR NATIONAL INTERESTS -- HAS BEEN LARGELY IGNORED. I HAVE BEEN CONCERNED THAT THE NEED FOR FIRST-RATE INTELLIGENCE IN THE CONDUCT OF OUR NATION'S FOREIGN POLICY AND FOR THE PROTECTION OF OUR VITAL NATIONAL INTERESTS IS INADEQUATELY UNDERSTOOD.

FOR EXAMPLE, WHEN PEOPLE THINK OF OUR NATION'S INTELLIGENCE AGENCY THEY STILL TEND TO THINK PRIMARILY OF ESPIONAGE, OF COVERT ACTION AND CLANDESTINE COLLECTION OF INFORMATION. IT'S TRUE THAT THESE ARE IMPORTANT ASPECTS OF INTELLIGENCE WORK -- THEY ALWAYS HAVE BEEN AND NO DOUBT WILL CONTINUE TO BE. BUT MODERN INTELLIGENCE ALSO INVOLVES THE IMPORTANT PROCESSES OF ANALYSIS AND PROVIDING THE RESULTS OF THIS EFFORT -- WHICH WE CALL FINISHED INTELLIGENCE -- TO THE POLICYMAKERS OF THE GOVERNMENT TO GIVE THEM THE COLLATED INFORMATION THEY NEED TO MAKE

DECISIONS IN THE AREA OF FOREIGN POLICY.

INTELLIGENCE TODAY GOES FAR BEYOND THE TRADITIONAL IMPRESSIONS OF ESPIONAGE. WE ARE LIVING IN A HIGHLY COMPLEX WORLD -- AND THE OLD MATA HARI TYPE OF INTELLIGENCE GATHERING, THE ESCAPADES OF A JAMES BOND, AND THE INSIGHTS OF DIPLOMATIC REPORTING ARE SIMPLY NOT SUFFICIENT TO GIVE OUR PRESIDENT AND TOP OFFICIALS THE INFORMATION -- AND THE ESTIMATES -- THEY NEED TO MAKE PROPER AND INFORMED DECISIONS.

TODAY THE CENTRAL INTELLIGENCE AGENCY IS CONCERNED WITH REPORTING TO THE PRESIDENT AND THE POLICYMAKERS ON ALL ASPECTS OF THE CAPABILITY, INTENTIONS AND ACTIVITIES OF FOREIGN STATES THAT COULD AFFECT OUR NATIONAL SECURITY.

WE NOT ONLY COLLECT AND ANALYZE THE VAST AMOUNT OF INFORMATION NEEDED FOR AN ACCURATE PERCEPTION OF THE WORLD SITUATION, WE ALSO EVALUATE TRENDS AND FUTURE DEVELOPMENTS IN MANY AREAS -- POLITICAL, ECONOMIC, SOCIOLOGICAL, TECHNOLOGICAL, SCIENTIFIC, MILITARY -- ALL THOSE SOPHISTICATED FIELDS WHICH INFLUENCE OUR RELATIONS WITH THE REST OF THE WORLD.

THAT IS WHY OUR RESOURCES ARE CONCENTRATED NOT ONLY IN SOPHISTICATED COLLECTION SYSTEMS, BUT IN HIGHLY EDUCATED PERSONNEL -- THE KIND OF PEOPLE WHO HAVE ADVANCED ACADEMIC DEGREES AND WHO CAN PROVIDE THE NECESSARY EXPERTISE TO FOLLOW GLOBAL TRENDS IN INTERNATIONAL AFFAIRS .

OUR ANALYTICAL REPORTS ARE EVALUATED BY NATIONAL INTELLIGENCE OFFICERS WHO ARE RESPONSIBLE FOR PRODUCING THE BEST INTELLIGENCE ESTIMATES WE CAN POSSIBLY MAKE -- WHICH IN TURN GO TO OUR POLICYMAKERS.

THE GUIDANCE AND DIRECTION FOR THE INTELLIGENCE COMMUNITY COME FROM THE NATIONAL SECURITY COUNCIL -- THE PRESIDENT, VICE PRESIDENT, SECRETARY OF STATE AND SECRETARY OF DEFENSE. THE NATIONAL SECURITY COUNCIL CONDUCTS REVIEWS OF INTELLIGENCE POLICIES TO MAKE CERTAIN THAT WE ARE PROPERLY RESPONDING TO THE NEEDS OF THOSE OFFICIALS WHO FORMULATE AND EXECUTE OUR FOREIGN POLICY.

ECONOMIC INTELLIGENCE, FOR EXAMPLE, IS AN INDICATION OF THE KIND OF THINGS CIA AND THE INTELLIGENCE COMMUNITY MUST BE CONCERNED WITH. UNTIL RECENTLY NATIONAL SECURITY ISSUES WERE OVERWHELMINGLY POLITICAL AND MILITARY IN NATURE -- TODAY, HOWEVER, WHILE WE CONTINUE TO DEVOTE A LARGE PORTION OF OUR RESOURCES TO ASSESSING THE POTENTIAL OF POTENTIAL ADVERSARIES FOR MAKING WAR, INTERNATIONAL ECONOMIC PROBLEMS -- MANY OF WHICH HAVE NO DIRECT RELATIONSHIP TO THE COMMUNIST COUNTRIES -- ARE OF GREAT CONCERN TO US. TO SUPPORT SUCH CONSUMERS OF INTELLIGENCE INFORMATION AS THE COUNCIL OF ECONOMIC ADVISERS, THE COUNCIL ON INTERNATIONAL ECONOMIC POLICY, AND THE ECONOMIC POLICY BOARD, CIA HAS MORE THAN 200 GRADUATE ECONOMISTS AND INDUSTRY SPECIALISTS, FOR INSTANCE, PARTICIPATING IN SOME OF THE ANALYTICAL WORK ON INTERNATIONAL ECONOMIC DEVELOPMENTS.

ANOTHER AREA WHERE CIA IS MAKING A SIGNIFICANT CONTRIBUTION IS THE MONITORING OF SOVIET ACTIVITIES IN CONNECTION WITH THE STRATEGIC ARMS LIMITATION AGREEMENTS, WHAT, FOR EXAMPLE, ARE THE SOVIETS REALLY DOING IN TERMS OF THE THINGS THAT HAVE BEEN AGREED UPON? NOTHING COULD BE MORE IMPORTANT TO OUR NATIONAL DEFENSE PLANNING.

SO THE DAILY JOB OF COLLECTING, DISTILLING, AND PRODUCING TOP FLIGHT INTELLIGENCE FOR THE PRESIDENT AND OTHER LEADERS OF THE GOVERNMENT DOES NOT USUALLY MAKE HEADLINES, BUT IT IS ESSENTIAL IF WE ARE TO HAVE ADEQUATE WARNING OF INTERNATIONAL TRENDS AND EVENTS AFFECTING THIS COUNTRY.

I AM ALSO AFRAID THAT THE SENSATIONALIZED STORIES ABOUT THE CIA IN THE PAPERS -- OFTEN ABOUT THINGS THAT NEVER HAPPENED, OR THINGS THAT HAPPENED MANY YEARS AGO -- IGNORE SOME OF THE IMPORTANT WORK WE ARE DOING IN THE FIELD OF FOREIGN INTELLIGENCE -- WORK THAT IS IMPORTANT IN MANY RESPECTS FOR DEFENDING U.S. INTERESTS.

TAKE, FOR EXAMPLE, THE GROWING THREAT OF INTERNATIONAL TERRORISM -- POLITICAL TERRORISTS WHO IGNORE THE BOUNDARIES OF NATIONS TO SPREAD THEIR VIOLENCE AND TRY TO PROMOTE THEIR OWN POLITICAL OR IDEOLOGICAL OBJECTIVES REGARDLESS OF THE DANGERS TO TRAVELERS, BUSINESS PEOPLE, AND INNOCENT BY-STANDERS.

I THINK WE HAVE TO FACE THE FACT THAT TERRORISM IS

NOW VERY MUCH A FUNCTION OF OUR TIMES -- AND THREATENS TO BECOME EVEN MORE A PROBLEM AS TIME GOES ON. WE ARE, AS SOME HAVE SAID, ENTERING A KIND OF "ERA OF TERRORISM." ADVANCES IN TECHNOLOGY AND THE GROWING WORLD INTERDEPENDENCE HAVE GIVEN TERRORISTS GREATER MOBILITY, NEW TARGETS, NEW WEAPONRY, AND THE CERTAINTY THAT THEIR MORE DRAMATIC ACTIVITIES WILL RECEIVE PROMPT AND WORLDWIDE PUBLICITY.

JUST TO REFRESH YOUR MEMORY OF A FEW SUCH INCIDENTS:

+ IN SEPTEMBER 1974 A TWA PLANE IN THE MIDDLE EAST WAS BOMBED WHILE IN FLIGHT, WITH ALMOST A HUNDRED KILLED. AN ARAB YOUTH ORGANIZATION TOOK CREDIT FOR THAT ONE.

+ IN MAY 1972 TWENTY-FIVE PUERTO RICAN PILGRIMS IN THE HOLY LAND WERE SHOT DOWN BY MEMBERS OF THE SO-CALLED "JAPANESE RED ARMY" -- A SMALL, ULTRA LEFTWING GROUP WHICH FIRED INTO A CROWD AT AN ISRAELI AIR TERMINAL.

+ IN DECEMBER 1973 ARAB TERRORISTS FIRED PHOSPHORUS GRENADES AT A PAN AMERICAN JETLINER AT THE ROME AIRPORT; 29 PERSONS DIED.

+ KIDNAPPINGS HAVE BEEN RAMPANT -- OFTEN IN DEMAND FOR THE RELEASE OF POLITICAL PRISONERS. IN DECEMBER 1973 AN AMERICAN EXXON EXECUTIVE WAS KIDNAPPED IN SOUTH AFRICA FOR 14 MILLION DOLLARS RANSOM -- AND IN 1975 THE MONTONEROS ORGANIZATION ASKED 60 MILLION DOLLARS RANSOM IN A KIDNAPPING.

+ WHO CAN FORGET THE KILLINGS AT THE OLYMPICS IN MUNICH

IN 1972 BY A GROUP WHICH CALLED ITSELF "BLACK SEPTEMBER?"

+ MANY OF OUR DIPLOMATS HAVE BEEN KILLED BY TERRORIST ACTION -- INCLUDING OUR CIA CHIEF IN ATHENS A LITTLE OVER A YEAR AGO.

IN RECENT YEARS WE HAVE SEEN A MARKED INCREASE IN THE NUMBER OF ACTIVE TERRORIST GROUPS AS WELL AS IN THE NUMBER OF COUNTRIES IN WHICH THEY OPERATE. COOPERATION AMONG TERRORIST GROUPS HAS ALSO INCREASED NOTICEABLY. THERE HAS BEEN A TREND TOWARD BOLDER AND MORE DRAMATIC ACTIONS.

TERRORISM ON AN INTERNATIONAL SCALE IS A KIND OF WARFARE -- A WARFARE THAT IGNORES INTERNATIONAL BOUNDARIES, A WARFARE WAGED WITHOUT ARMIES, AND A WARFARE WITHOUT INTERNATIONAL RULES OF CONDUCT. AND I REGRET TO SAY THAT THE INTERNATIONAL RESPONSE TO THIS KIND OF TERRORISM HAS USUALLY BEEN FEEBLE, COOPERATION AMONG NATIONS HAS BEEN LIMITED, AND SOME NATIONS HAVE EVEN CONTINUED TO PROVIDE ASYLUM FOR THE PERPETRATORS.

WHO ARE SOME OF THESE PEOPLE WHO PERPETRATE TERRORISM? THERE HAVE BEEN SOME STRANGE BEDFELLOWS INDEED.

FOR EXAMPLE, SUPPORT RENDERED BY THE ANARCHIST BAADER-MEINHOF GANG OF WEST GERMANY FACILITATED PREPARATIONS FOR THE ATTACK ON THE ISRAELI OLYMPIC TEAM BY THE PALESTINIAN BLACK SEPTEMBER ORGANIZATION.

NOT ONLY HAVE THE POPULAR FRONT FOR THE LIBERATION

OF PALESTINE (PFLP) AND THE SO-CALLED JAPANESE RED ARMY TEAMED UP IN A NUMBER OF ATTACKS, BOTH ORGANIZATIONS HAVE RECEIVED ASSISTANCE FROM A NUMBER OF TERRORIST GROUPS IN VARIOUS PARTS OF THE WORLD.

THE IRISH REPUBLICAN ARMY HAS LINKS WITH A NUMBER OF TERRORIST ORGANIZATIONS OUTSIDE THE UNITED KINGDOM AND NORTHERN IRELAND.

THEN THERE IS A VENEZUELAN WHO USES THE NAME OF "CARLOS" -- LINKED WITH A NUMBER OF HEADLINE INCIDENTS SUCH AS THE JAPANESE RED ARMY SEIZURE OF THE FRENCH EMBASSY IN THE HAGUE IN 1974, ATTACKS ON EL AL AIRCRAFT AT ORLY AIRPORT IN FRANCE IN 1975, AND AN ATTACK ON THE OPEC MINISTERIAL-LEVEL CONFERENCE IN VIENNA IN DECEMBER 1975. THE GROUP HE USED IN THE VIENNA ATTACK INCLUDED TWO GERMANS AND THREE PALESTINIANS -- WHICH AGAIN SHOWS THE INTERNATIONAL COLLABORATION AMONG TERRORISTS.

AND THE LATIN AMERICAN TERRORISTS OF ARGENTINA, URUGUAY AND BOLIVIA -- ACTIONS DIRECTED LARGELY AGAINST MILITARY LEADERS AND FOREIGN BUSINESSMEN.

CLEARLY, WITH THIS KIND OF CHALLENGE FACING OUR GOVERNMENT AS WELL AS OTHER GOVERNMENTS, WITH AMERICAN LIVES AND PROPERTY ENDANGERED BECAUSE OF SUCH ACTIVITIES, THERE IS AN IMPORTANT ROLE FOR INTELLIGENCE. WHO ARE THE TERRORISTS? WHERE WILL THEY STRIKE? WHAT ARE THEIR MOTIVES? WHAT ARE THEIR LOGISTICAL SOURCES? THESE ARE THE KINDS OF QUESTIONS THAT MUST BE ANSWERED. ONCE THE TERRORISTS STRIKE



THE DEFENSE AGAINST THEM IS INFINITELY MORE DIFFICULT AND SOMETIMES HOPELESS.

IN 1972 A U.S. GOVERNMENT CABINET COMMITTEE WAS ESTABLISHED TO COMBAT TERRORISM, AND A WORKING GROUP NOW OPERATES UNDER AMBASSADOR HECK. THE CIA HAS SINCE THAT TIME PROVIDED ALL POSSIBLE SUPPORT TO THIS GROUP.

IT IS ALMOST CERTAIN THAT TERRORISM ON AN INTERNATIONAL SCALE WILL CONTINUE AND PROBABLY INCREASE, FOR A NUMBER OF REASONS:

+ IN THE SHORT TERM IT SEEMS TO PAY. UNFORTUNATELY, POLITICAL BLACKMAIL GETS RESULTS -- TERRORISTS ARE RELEASED, HUGE RANSOMS ARE PAID, AND THE TERRORISTS GET PUBLICITY FOR THEIR CAUSE AUGMENTED BY MODERN TELEVISION COVERAGE.

+ INDUSTRIAL SOCIETY IS BECOMING MORE VULNERABLE EVERY DAY TO TERRORIST ACTION -- POWER STOPPAGES, PUBLIC TRANSPORT SUCH AS TRAINS AND AIRLINERS, PETROLEUM TANKERS, AND SO FORTH.

+ TERRORISTS CAN TRAVEL FROM COUNTRY TO COUNTRY MORE EASILY, AND CAN BUILD UP THEIR FUNDS THROUGH ROBBERIES, RANSOMS OBTAINED THROUGH KIDNAPPINGS, AND IN SOME CASES SUPPORT FROM SYMPATHETIC GOVERNMENTS.

+ TERRORISTS TODAY TEND TO HELP EACH OTHER IN SUCH AREAS AS GUNS, AMMUNITION, STOLEN CARS, GUIDES, SAFE HOUSES, AND OTHER LOGISTICAL SUPPORT.

OUR GOVERNMENT'S POLICY IS TO MAKE NO CONCESSIONS OR PAY NO RANSOM WHEN U.S. OFFICIALS ARE INVOLVED -- WE

WILL NOT YIELD TO EXTORTION OR BLACKMAIL IN WHATEVER FORM, ALTHOUGH WE DO NOT OPPOSE EXPLORATORY DIALOGUE. BUT PRIVATE COMPANIES AND MANY GOVERNMENTS FIND IT DIFFICULT TO TAKE A FIRM POSITION WHEN CONFRONTED BY KIDNAPPING AND RANSOM DEMANDS. CLEARLY IT IS NOT AN EASY PROBLEM.

FINALLY, AND I DON'T WANT TO OVEREMPHASIZE THE DANGER, THERE IS THE POSSIBILITY OF NEW WEAPONRY IN THE HANDS OF TERRORISTS. OBVIOUSLY THERE IS ALWAYS THE DANGER OF SOME FANATICAL GROUP SEEKING WEAPONS OF MASS DESTRUCTION OR AT LEAST TRYING TO POSE SUCH A THREAT. THE SYMBOLIC VALUE OF AMERICAN TARGETS WILL LIKELY CONTINUE TO MAKE AMERICANS AND AMERICAN FACILITIES ATTRACTIVE AS A MEANS OF GAINING PUBLICITY FOR TERRORIST CAUSES. INDEED, IN THE PAST EIGHT YEARS U.S. CITIZENS OR U.S. FACILITIES HAVE BEEN VICTIMIZED IN AT LEAST ONE-THIRD OF ALL TERRORIST INCIDENTS OVERSEAS.

I HAVE TAKEN THE TIME TO DISCUSS THE SUBJECT OF MODERN TERRORISM TO INDICATE TO YOU ONE OF THE IMPORTANT ROLES INTELLIGENCE PLAYS FOR OUR GOVERNMENT -- AND OUR PEOPLE. I AM CERTAINLY NOT TRYING TO ALARM YOU -- BUT I THINK WE LEARNED MANY YEARS AGO THAT THE UNITED STATES CANNOT SIMPLY IGNORE THE REST OF THE WORLD -- THAT WE MUST BE ALERT TO INTERNATIONAL DEVELOPMENTS WHETHER WE ARE TALKING ABOUT POLITICS, ECONOMICS, MILITARY DEVELOPMENTS -- OR NEW

PROBLEMS SUCH AS MODERN TERRORISM, GOOD INTELLIGENCE ON THE IMPERFECT WORLD AROUND US MUST CONTINUE TO BE A VITAL CONCERN. AND THAT MEANS A STRONG CENTRAL INTELLIGENCE AGENCY.

First, I would say that the Central Intelligence Agency is different than you probably think it is. It is different than I thought it was when I went there. The Agency through the furor of the hearings of something over a year ago took an enormous pounding. A handful of abuses proved to be an enormous barrellful of false allegations resulting in a denigration of the Agency and a downgrading of the support from the American people. But I can certify to you as I have to the President of the United States and to seven oversight committees of the United States Congress that this Agency is living within the law. We are fully complying with the most sweeping reform of intelligence since 1947 which is the President's Executive Order of February 1976. We are totally cooperating. Mr. Gambitts, when he was on one of these oversight committees and I hope maybe he will be, can tell you as I am telling you now, that the American people thinks that the budget of the CIA is not reported to anybody, it's reported every single penny in total detail to elected representatives of the people and as long as I am Director, which is three days more, and as long as I can speak out, I would urge the budget of the CIA be reported in this great detail to the Congress but not revealed in detail to the American people because the people that would

benefit from that would be the KGB, the Soviet arm of intelligence, and we must protect the vital sources and methods and the vital national security secrets and there are some critics to the contrary, notwithstanding. So, I would say the Agency is doing pretty well. Our recruitment is up, our morale is in pretty good shape, the quality of applicants is up, and the institution, in spite of the risks that some of our people take abroad, risks to come mainly from this irresponsible disclosure of their names, our people are willing to serve abroad. One of the things that got me the most was just when I was about to come and assume my job, and one of these leftwing organizations, Counterspy Magazine, published the names of CIA agents; two weeks later our station chief was killed in Athens. Classical Greek scholar, graduate of honors from Harvard University, linguist of pronounced ability, family man, decent man, gunned down by assassins in Athens two weeks after his name was made public. Our laws totally incapable of protecting my people who serve abroad with an unselfish, unparalleled in war time or in peace time. I have nothing but contempt for those who disclose the names of our people. I would say at the end that I've been a very lucky guy since I first went to the Congress ten years ago, almost ten years ago to the day from Southwestern part of Houston,

I was lucky before then because I believe so firmly in our free enterprise system and benefited from it and I hope that as I drove downtown today and I saw that the (unintelligible) tower building, that black thing that comes to a point and I could not help but reminisce that I had been I guess the first president of that company long before we could afford a black building that comes to a point. I noticed that (unintelligible but not substantive paragraph) I thought to myself, what a miraculous thing when you start something and others come along and do a better job at it, but anyway we are producing something, we're making jobs so my experience in business has been very rewarding. My experiences involved with Congress was a fantastic one and I know that you will agree with me that your colleagues' image of Congress at the time, contrary notwithstanding, or with people of quality, they are there for a reason, they've got to go home and face the people, and I love that experience. I found my two years with the United Nations a fascinating assignment as anybody could ever have as Ambassador there. I met people there that are Chiefs of State, now Chiefs of State, foreign ministers from all over the world and I think I have, and I know Barb does too, a better concept of what the world is really like. Then in troubled times I was Chairman of the Republican National Committee in a very hectic and difficult time, and people said, oh, that's a thankless job but it wasn't because I have never been ashamed

of politics to participate and give it all I had in a partisan fashion. Then I went to China in a totally non-partisan job and hopefully as in the United Nations I participated in a non-partisan fashion and there we saw the country of 850 million (unintelligible) and I can't begin to say we understand it but I know what it is like to live in a totalitarian system, and that was an unusual experience. Having said all that, nothing compares with the privilege of being head of the CIA. I'll tell you, people say it's a thankless job and my answer to that is, you don't know what you're talking about if you say that is a thankless job. Yes, we have problems, yes we have public misconceptions. The importance of our mission, the importance of guaranteeing to our kids and grandchildren that this country will have the information necessary to have our policymakers make the right decisions, how strong this country needs to be, what we can do in terms of economic moves against cartels of this type. The importance of the mission plus the uplift one gets from being surrounded with at CIA, makes it not a thankless job but in my view one of, I've had the greatest privilege of any American to be Director of Central Intelligence and head the CIA.

Thank you.